



Fully Underwritten Entitlement Offer to advance portfolio of Lithium Projects in WA and Canada

- **Fully underwritten Entitlement Issue on the basis of 2 new shares for every 5 held at \$0.07 per share to raise ~\$1.94 million before expenses.**
- **Each share subscribed in the offer will be issued with 1 free option (proposed to be listed) exercisable at \$0.15 each on/before 30 June 2026.**
- **Offer strongly supported by Board of Directors - commitment to subscribe for entitlements and priority sub-underwriting agreements for a total of \$194,000.**
- **Proceeds will be used to advance drilling and exploration programmes at the Company's Forrestania and Eastern Goldfields projects in Western Australia.**
- **At Forrestania, priority lithium targets will be drilled at Giant, Calypso and South Iron Cap East**
- **In the Eastern Goldfields, the focus will be on defining drill targets on multiple known pegmatite outcrops, including at the Balarky Prospect.**
- **Funds will also be used to formalise and progress the recently announced Joint Venture with ALX Resources Corporation on the Hydra Lithium Project in the James Bay region of Canada, where exploration is set to commence on 31 May 2023.**

Forrestania Resources Limited (ASX:FRS) (**Forrestania** or the **Company**), is undertaking an entitlement issue to eligible shareholders on the basis of two (2) new fully paid ordinary shares (**shares**) for every five (5) shares held on the record date, at \$0.07 per share, together with 1 for 1 free option (proposed to be listed) (**option**) with an exercise price of \$0.15 each on/or before 30 June 2026 to raise up to ~\$1.94 million before expenses (**Entitlement Issue** or **Offer**).

Managing Director, Michael Anderson, commented:

“Having recently expanded our portfolio in WA and extended our reach into the James Bay region of Canada, the Company now has significant discovery potential in two of the world's most fertile lithium exploration jurisdictions.

With three highly prospective projects to progress at Forrestania, Eastern Goldfields and Hydra, we are focused on working systematically and proactively, and this funding will allow us to do justice to the potential that we see.

We are excited that fieldwork will start in Canada in just a few days' time, and when combined with our ongoing work at Forrestania and in the Eastern Goldfields, we expect to deliver substantial news flow over the coming months from all three projects”.

Offer Details

The Offer is for two (2) new shares for every five (5) shares held on the record date, at \$0.07 per share, to raise up to ~\$1.94 million before expenses. Shareholders will receive one (1) free option for every one (1) share subscribed and issued. Each option will have an exercise price of \$0.15 each with an expiry date of 30 June 2026. The Company will apply for quotation of the options, subject to approval by ASX.

The issue price of \$0.07 per share is a 9.7% discount to the 10-day VWAP of \$0.078 per share and a 11.6% discount to the 30-day VWAP of \$0.079.

Eligible Shareholders may also apply (in excess of their Entitlement) for new shares and options not subscribed for by other Eligible Shareholders pursuant to the Offer (**Shortfall Offer**), on the same terms as the Entitlement Offer.

The Directors of Forrestania have indicated that they will be supporting the Offer to the following amounts:

Director	Amount	Shares	New Options
Michael Anderson	\$78,000 ¹	1,114,286	1,114,286
David Izzard	\$56,000	800,000	800,000
John Hannaford	\$50,000	714,285	714,285
William Higgins	\$10,000	70,000	70,000

Note 1: Michael Anderson has agreed to subscribe for his entitlements under the Offer (\$28,000) and in addition to this has entered into a priority sub-underwriting agreement with the Underwriter for \$50,000.

RM Corporate Finance Pty Ltd has been appointed as Lead Manager and Underwriter to the Offer.

The Offer is available to all shareholders registered at 5.00 (Perth time) on 2 June 2023 (**Record Date**) whose registered address is in Australia or New Zealand (Eligible Shareholders). The Entitlement Offer will close at 5.00pm (Perth time) on 21 June 2023 (unless extended).

The Company will lodge a prospectus with ASIC today, Monday 29 May 2023 which will contain all relevant details of the Offer (**Prospectus**).

Use of proceeds

Proceeds from the Offer will primarily be used to advance lithium focused exploration at the Company's WA Projects (Forrestania and Eastern Goldfields). See below for further details of the planned exploration programmes.

A portion of the funds will also be used to make payment to ALX Resources Corporation as part of the consideration to formalise the proposed Joint Venture on the Hydra Lithium Project in the James Bay Region of Quebec, Canada (see announcement from 8 May 2023) with remaining proceeds used for general working capital purposes and to meet the fees and expenses of the offer.

Item	Proceeds of the Entitlement Offer	Full Subscription (\$)	%
1.	Exploration in Western Australia	\$1,000,000	52%
2.	Payment to ALX Resources Corp	~\$390,000	20%
3.	Working capital	\$385,563	20%
4.	Lead Manager Fees	\$116,136	6%
5.	Expenses of the Offer	\$43,908	2%
	Total	1,935,607	100%

Effect on Capital Structure

Shares currently on issue ²	69,128,803
New Shares to be issued under the Entitlement Offer ²	27,651,522
Shares on issue post-Offers	96,780,325

Notes:

1. Assuming the Full Subscription of \$1,935,607 is achieved under the Entitlement Offer.

New Options to be issued under the Entitlement Offer ²	27,651,522
New Options to be issued under the Underwriter Options Offer ²	2,000,000
Options on issue post-Offers	29,651,522

Notes:

1. Assuming the Full Subscription of \$1,935,607 is achieved under the Entitlement Offer.
2. Assuming no options are exercised prior to the Record Date.

Timetable

The following indicative timetable has been prepared for Offer. The timetable is subject to change at the Company's discretion and subject to compliance with applicable laws and ASX Listing Rules.

Lodgement of Prospectus with the ASIC	Monday, 29 May 2023
Lodgement of Prospectus and Appendix 3B with ASX	Monday, 29 June 2023
Ex date	Thursday, 1 June 2023
Record Date for determining Entitlements	Friday, 2 June 2023
Entitlement Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	Wednesday, 7 June 2023
Last day to extend the Closing Date of the Entitlement Offer	Friday, 16 June 2023
Closing Date of the Entitlement Offer as at 5:00pm*	Wednesday, 21 June 2023
Securities quoted on a deferred settlement basis	Thursday, 22 June 2023
ASX and Underwriter notified of under subscriptions under Entitlement Issue	Monday, 26 June 2023
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Securities to Eligible Shareholders under the Offer	Monday, 26 June 2023
Quotation of Securities issued under the Entitlement Offer*	Tuesday, 27 June 2023
Last day for the Underwriter to subscribe for Shortfall under terms of the Underwriting Agreement and issue of Shortfall Shares to Underwriter	Monday, 3 July 2023
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Securities to the Underwriter and/or its nominees	Monday, 3 July 2023

EXPLORATION PROGRAMMES

Forrestania Project, Western Australia

Figure 1 shows the location of the Forrestania Project and the various prospects and targets, which have been the subject of the Company's exploration focus since listing. As announced on 24 April 2023 the Company's last drilling programme, which was completed in Q1/2023, returned exciting high-grade lithium and exceptional tantalum grades from the Giant Pegmatite. Results included:

- **10m @ 1.49% Li₂O** from 74m, including **2m @ 2.64% Li₂O** from 75m,
- **4m @ 1,106 ppm Ta** from 45m, including **1m at 2,870ppm Ta** from 46m.

Drilling at South Iron Cap East has also confirmed the presence of pegmatites which, based on anomalous lithium assay results and favourable geochemistry, are believed to be part of a highly fertile LCT pegmatite system.

In addition, previous soil sampling and mapping of pegmatite outcrops has led to the identification of a number of priority drill targets across the project area, most notably at Calypso.

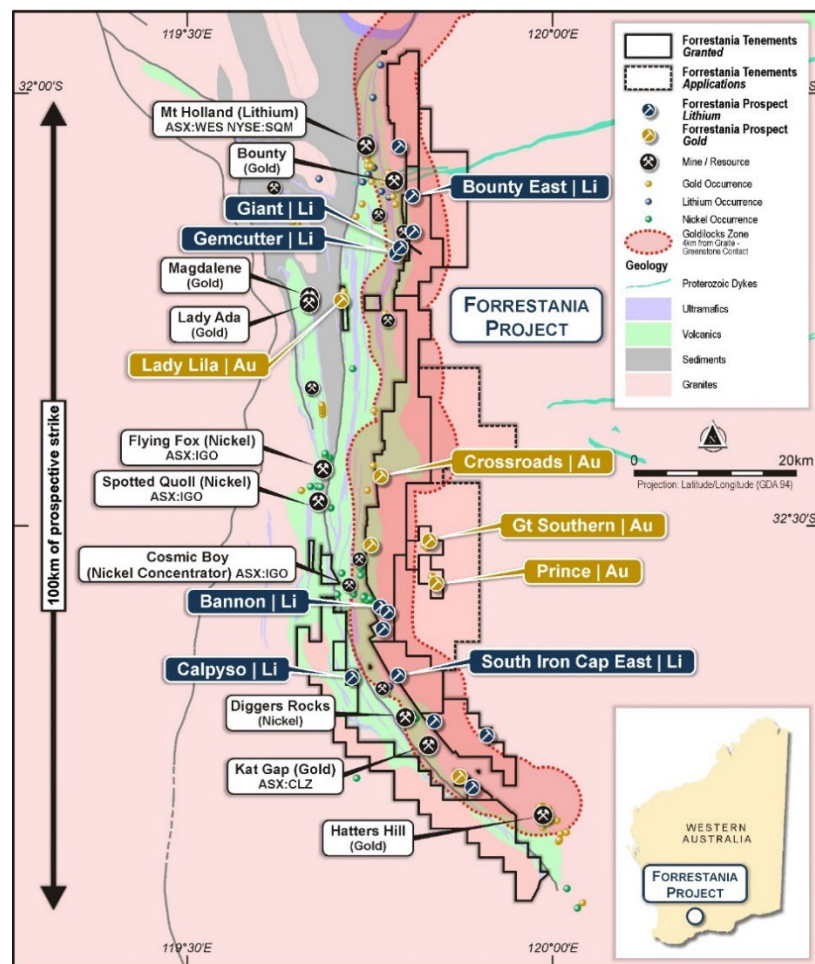


Figure 1: Forrestania Project showing regional geology interpretation including location of lithium prospects.

The new funding will allow follow-up drill programmes to be carried out at Forrestania to:

- extend the high-grade zone at the Giant Pegmatite,
- further explore at South Iron Cap East, and
- test a number of additional high priority targets across the Forrestania project area, including Calypso.

It is anticipated that these programmes will commence in the next few weeks.

Eastern Goldfields Project, Western Australia

On 16 May 2023, the Company announced an option agreement to acquire two strategic and highly prospective project areas at 1) Alexandra Bore / Breakaway Dam, and 2) Bonnie Vale, in the Eastern Goldfields area of Western Australia.

The Alexandra Bore / Breakaway Dam tenements are contiguous and complementary to Forrestania's existing land position in the Eastern Goldfields area.

The tenements are all highly prospective for lithium, gold and copper, and whilst both projects have known and/or outcropping pegmatites⁵, no effective lithium exploration has previously been undertaken.

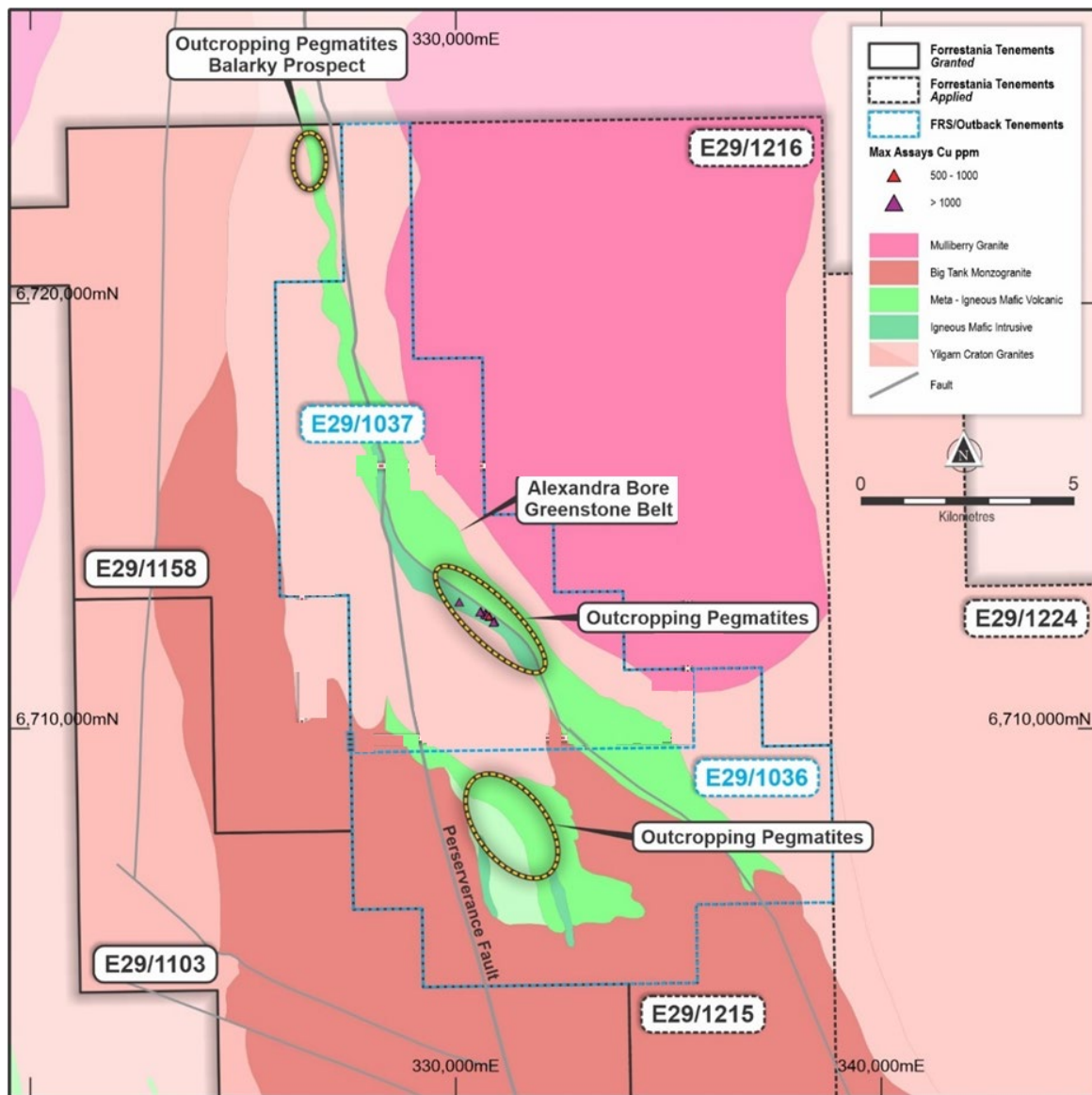


Figure 2: Eastern Goldfields: Alexandra Bore / Breakaway Dam project areas. Geological map courtesy of GSWA, showing approximate location of outcropping pegmatites.

Planned work in the Eastern Goldfields area will include;

- geological mapping and sampling across the project area,
- specific focus on outcropping pegmatites, including at the Balarky prospect, and
- definition of targets for a maiden drill programme.

Field work has already begun and will continue over the coming months, with the results of initial sampling expected shortly.

5. ASX:FRS Announcement on 16 May 2023

Hydra Lithium Joint Venture, James Bay Region, Quebec, Canada

On 8 May 2023, Forrestania announced an expansion of its lithium exploration focus into the world-class James Bay Region of Quebec, Canada.

Agreement has been reached with ALX Resources Corp. (TSXV: AL; FSE: 6LLN; OTC: ALXEF) to earn a 50% interest in their 100% owned Hydra Lithium Project (HLP), and to form a Joint Venture. The HLP currently comprises 8 sub-projects, totalling 29,262 hectares (293km²); Volta (4,752 ha.), Echo (5,566 ha.), Nike (2,462 ha.), Sprite (3,437 ha.), Cobra (4,249 ha.), Viper (1,280 ha.), Python West (4,298 ha.) and Python East (3,218 ha.) (Figure 3). There is potential to grow the HLP portfolio through additional staking and/or acquisition.

The sub-projects are located within a world-class lithium exploration district that hosts the following projects:

- **James Bay Lithium** – (Indicated Mineral Resource: 40.33 million tonnes grading 1.4% Li₂O), owned by **Allkem Limited**;¹
- **Rose** - (Indicated Mineral Resource: 31.5 million tonnes grading 0.91% Li₂O and 148 ppm Ta₂O₅), owned by **Critical Elements Lithium Corporation**;²
- **Whabouchi** - (Measured + Indicated “in Pit” Mineral Resource: 37.356 million tonnes grading 1.48% Li₂O), owned by **Livent Corporation and Investissement Québec**.³

¹ Preliminary Economic Assessment, NI 43-101 Technical Report, James Bay Lithium Project Ontario Canada, by G Mining Services, March 8, 2021

² Critical Elements Lithium Corporation – NI 43-101 Technical Report on Rose Lithium-Tantalum project feasibility study dated July 26, 2022

³ NI 43-101 Technical Report on the Whabouchi Lithium Mine and Shawnigan Electrochemical Plant, by Met-Chem et al, November 7, 2018

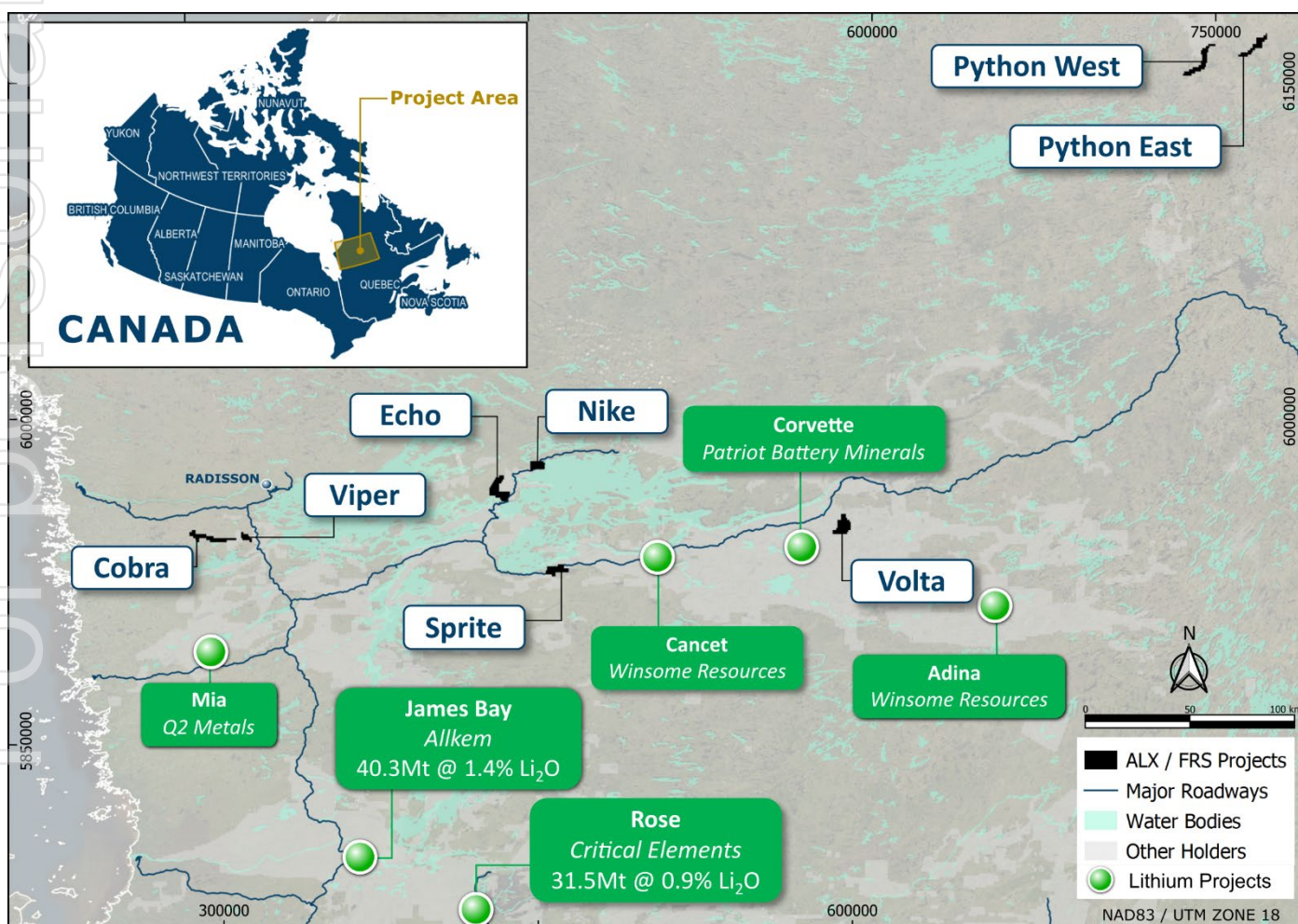


Figure 3: The Hydra Lithium Project in Quebec, Canada

Staking of the projects was conducted by ALX after a review of public-domain geological mapping. ALX also utilized artificial intelligence technology to conduct a search of Quebec government assessment files. All of the sub-projects either overlie or are positioned on the margins of highly prospective greenstone belts.

Forrestania shares ALX's conviction that the HLP holds significant potential for LCT pegmatites, supported by the encouraging exploration reports from, amongst others, the nearby Corvette Lithium Project owned by Patriot Battery Metals Inc., (TSXV: PMET; ASX: PMT; OTCQX: PMETF; FWB: R9GA) which has reported highly significant lithium drilling intersections during the past 12 months, including: 159.7m @ 1.65% Li₂O and 86.2m @ 2.13% Li₂O⁴. The **Volta** sub-project lies 20km to the east of the Corvette deposit and is only 1km north of the Corvette property boundary.

Similarly, the sub-projects **Viper** and **Cobra** are located 50km north of Q2 Metals Corp.'s (TSXV:QTWO; OTCQB:QUEXF; FSE:458) Mia Lithium Property, where numerous spodumene-bearing pegmatite outcrop samples have returned significant lithium grades of up to 4.37% Li₂O⁴. Both **Viper** and **Cobra** are hosted by a similar greenstone belt setting.

Pegmatite outcrops have already been mapped on the **Volta**, **Sprite**, **Nike** and **Echo** sub-projects during field work completed by ALX in mid-October, 2022⁴. Partnership with the high quality and experienced ALX team provides Forrestania Resources with a cost-effective and immediate entry to an extremely prospective district.

Fieldwork at various of the sub-projects is planned to recommence imminently on 31 May 2023, and will focus on systematic prospecting, geological mapping and geochemical sampling. A proprietary artificial intelligence ("A.I.") process for pegmatite detection by KorrAI of Halifax, NS is underway to prioritize target definition for the Program.

ALX will have responsibility to undertake the exploration work; however, Forrestania team members will also spend time in the field during the programmes.

⁴ASX:FRS Announcement on 8 May 2023

End

This announcement is authorised for release by the Board.

For further information, please contact:

Michael Anderson
CEO & Managing Director
T: +61 (0) 412 496 797

E: michael@forrestanioresources.com.au

Cecilia Tyndall
Company Secretary
T: +61 (0)400 596 734

E: cecilia@forrestanioresources.com.au

About Forrestania Resources Limited

Forrestania Resources Limited is an exploration Company searching for lithium, gold, and nickel in the Forrestania, Southern Cross and Eastern Goldfields regions of Western Australia. The company is also exploring for lithium in the James Bay region of Quebec, Canada.

The Forrestania Project is prospective for lithium, gold and nickel. The Southern Cross Project is prospective for gold and lithium and the Eastern Goldfields project is prospective for gold, rare earth elements and lithium.

The flagship Forrestania Project is situated in the well-endowed southern Forrestania Greenstone Belt, with a tenement footprint spanning approximately 100km, north to south of variously metamorphosed mafic, ultramafic / volcano-sedimentary rocks, host to the Mt Holland lithium mine (189mT @ 1.5% Li₂O), the historic 1Moz Bounty gold deposit and the operating Flying Fox, and Spotted Quoll nickel mines.

The Southern Cross Project tenements are scattered, within proximity to the town of Southern Cross and located in and around the Southern Cross Greenstone Belt. It is the Company's opinion that the potential for economic gold mineralisation at the Southern Cross Project has not been fully evaluated. In addition to greenstone shear-hosted gold deposits and lithium bearing pegmatites, Forrestania is targeting granite-hosted deposits. New geological models for late Archean granite-controlled shear zone/fault hosted mineralisation theorise that gold forming fluids, formed at deep crustal levels do not discriminate between lithologies when emplaced in the upper crust. Applying this theory, Forrestania has defined multiple new targets.

The Eastern Goldfields tenements are located within the Norseman-Wiluna Greenstone Belt of the Yilgarn Craton. The Project includes eight Exploration Licences and ten Exploration Licence Applications, covering a total of ~1300km². The tenements are predominately non-contiguous and scattered over 300km length, overlying or on the margins of greenstone belt. The southernmost tenement is approximately 15 km north of Coolgardie, and the northernmost tenement is located approximately 70 km northeast of Leonora. Prior exploration over the project area has focused on gold, diamonds, and uranium. Tenements in the Project have been variably subjected to soil sampling, stream sampling, drilling, mapping, rock chip sampling and geophysical surveys.

Forrestania Resources also has an option earn-in agreement with ALX Resources (TSXV: AL; FSE: 6LLN; OTC: ALXEF) to earn a 50% interest in their 100% owned Hydra Lithium Project (HLP) located in northern Quebec, Canada. The HLP comprises eight sub-projects totalling ~293km² within the world-class lithium exploration district of James Bay. These sub-projects strategically overlie or are positioned on the margins of highly prospective greenstone belts and are proximal to existing, significant lithium projects and deposits.

The Company has an experienced Board and management team which is focused on exploring, collaborating, and acquiring to increase value for Shareholders.

Competent Person's Statements

The information in this report that related to Lithium Exploration Results is based on and fairly represents information compiled by Ms Melissa McClelland. Ms McClelland is the Lithium Exploration Manager of Forrestania Resources Limited and is a member of the Australian Institute of Geoscientists. Ms McClelland has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ms McClelland consents to the inclusion in this report of the matters based on information in the form and context in which they appear.

The information in this report that relates to exploration results from the Eastern Goldfields Project is based on and fairly represents information compiled by Mr Ashley Bennett. Mr Bennett is the Exploration Manager of Forrestania Resources Limited and is a member of the Australian Institute of Geoscientists. Mr Bennett has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Bennett consents to the inclusion in this report of the matters based on information in the form and context in which they appear.

Disclosure

The information in this announcement is based on the following publicly available ASX announcements and Forrestania Resources IPO, which is available from <https://www2.asx.com.au/>

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcements and that all material assumptions and technical parameters underpinning the relevant ASX announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are represented have not been materially modified from the original ASX announcements.

Cautionary Statement Regarding Values & Forward-Looking Information

The figures, valuations, forecasts, estimates, opinions and projections contained herein involve elements of subjective judgment and analysis and assumption. Forrestania Resources does not accept any liability in relation to any such matters, or to inform the Recipient of any matter arising or coming to the company's notice after the date of this document which may affect any matter referred to herein. Any opinions expressed in this material are subject to change without notice, including as a result of using different assumptions and criteria. This document may contain forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "expect", and "intend" and statements than an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking information is subject to business, legal and economic risks and uncertainties and other factors that could cause actual results to differ materially from those contained in forward-looking statements. Such factors include, among other things, risks relating to property interests, the global economic climate, commodity prices, sovereign and legal risks, and environmental risks. Forward-looking statements are based upon estimates and opinions at the date the statements are made. Forrestania Resources undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such dates or to update or keep current any of the information contained herein. The Recipient should not place undue reliance upon forward-looking statements. Any estimates or projections as to events that may occur in the future (including projections of revenue, expense, net income and performance) are based upon the best judgment of Forrestania Resources from information available as of the date of this document. There is no guarantee that any of these estimates or projections will be achieved. Actual results will vary from the projections and such variations may be material. Nothing contained herein is, or shall be relied upon as, a promise or representation as to the past or future. Forrestania Resources, its affiliates, directors, employees and/or agents expressly disclaim any and all liability relating or resulting from the use of all or any part of this document or any of the information contained herein.

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